

COLUMBUS HOUSE INC

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Housing Committee
Room 1A, Legislative Office Building
Hartford, CT 06106

Re: H.B. No. 5397 – An Act Concerning Real Estate Licensing for Nonprofit Housing Corporations

Dear Committee Members:

Thank you for allowing me to appear here today to ask for your support of H.B. No 5397.

My name is Chris Peterson. I have more than 30 years experience in the affordable housing industry. I am a licensed Realtor, and I am familiar with issues pursuant to the rental of housing by non-profit entities.

I am currently the Director of Real Estate Development and Facilities Management for Columbus House, Inc. which provides emergency shelter, transitional and permanent supportive housing to those who are homeless or at risk of becoming homeless.

Prior to joining Columbus House, I was the Director of Real Estate Development for Housing Operations Management Enterprises (HOME), Inc. where I managed the development of projects involving Section 42 of the Internal Revenue Code, which establishes the Low Income Housing Tax Credit program (LIHTC); the most important source of federal assistance for affordable rental housing. Ten percent of these tax credits are set aside for nonprofit sponsors.

Columbus House and Home Inc. are both non-profit entities with similar missions and they enjoy a collaborative partnership in which Columbus House provides supportive services to formerly homeless residents in LIHTC projects that are managed by Home Inc. – typical supportive housing projects.

As is common in such nonprofit-sponsored LIHTC projects, ownership is structured in a specific manner in order to maximize the value of the tax credit proceeds. Home Inc. or its subsidiary is

the general partner having a 1.0% or 0.1% ownership interest in the properties and a for-profit limited partner investor owns the balance.

However, Home Inc is in essence the long term owner of the property as it has all the financial risks associated with the property and all of the day to day control. The for-profit limited partner has no management role. Also, as is typical in almost all such projects, the partnerships are structured for Home Inc. to acquire the limited partner's interest at the end of the IRS 15-year compliance period.

Non-profit organizations such Columbus House and Home Inc are dedicated to their missions and they are proficient managers of affordable rental housing most of which is burdened with a morass of regulations that for-profit entities and mainstream realtors know relatively little about and do not have to face.

The proposed amendment to Section 20-329 does not create a new exemption for non-profit entities from real estate licensing requirements. It simply clarifies that non-profit entities such as Home Inc. and Columbus House may manage properties involving Low Income Housing Tax Credits, in which they have an ownership interest.

To not provide such clarification would leave an impediment in the morass of regulations that could unnecessarily increase expenses by complicating the work non-profits already do quite well. More importantly, it could jeopardize their capacity to pursue their missions and help those I personally face every day in the streets and in our shelters. Their numbers are growing and they most desperately need our help.

Thus I ask for your support of H.B. No. 5397

Thank you for your attention.

Respectfully submitted,



Chris T. Peterson,
Director of Real Estate Development and Facilities Management